The Voice of America's Broadband Providers

September 21, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Communication: WC Docket No. 10-90

Dear Ms. Dortch:

On September 20, 2017, Ken Pfister of Great Plains Communications and Wendy Fast of Consolidated Telephone, Bob DeBroux of TDS (via teleconference), along with Genny Morelli and the undersigned of ITTA, met separately with Claude Aiken of the Office of Commissioner Clyburn, Amy Bender of the Office of Commissioner O'Rielly, and Travis Litman of the Office of Commissioner Rosenworcel regarding the above-captioned proceeding.[1]

In our meeting, we addressed ongoing funding of each of the high-cost USF programs. We identified the benefits and efficiencies that would be realized from funding the A-CAM Plan at $200 per location this year, including the application of additional, specific build-out obligations.[2] Funding the A-CAM Plan at this level would make broadband at speeds of at least 10/1 Mbps available to at least approximately 46,000 unserved and 25,000 underserved consumers. We estimated that funding the A-CAM Plan at $200 per location would require approximately an additional $100 million/year.

We discussed the merits of the Commission adopting a further notice of proposed rulemaking (FNPRM) to seek comment on a second offer of A-CAM funding. A second offer could largely mirror the first-round A-CAM program, but should be established with a budget sufficient for up to $200 per eligible location. Support should be allocated for nine years in order to harmonize the timeframe for both A-CAM rounds. And all rate-of-return companies currently receiving legacy support should be deemed eligible for second-round support.

As explained in the chart below, 136 legacy support companies would receive more support under a second round of A-CAM funding. If every one of those companies were to opt in to a second round of A-CAM funding, a second round would have an estimated budgetary impact (before transition payments) of approximately $71.5 million. As the chart also depicts,

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[1] *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 13775 (2016) (*A-CAM Funding Order and FNPRM*).

[2] *See id.* at 13779, para. 12.

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this budgetary impact would decrease commensurately as more model non-winners opted in to a second round of A-CAM funding.

	Ratio: Model to Legacy Support $	Total Count of Companies	Budget Impact Before Transition Payments
	50%-60%	26	$ (45,183,433)
	60%-70%	19	$ (15,821,008)
	70%-80%	26	$ (12,597,657)
	80%-90%	22	$ (10,313,370)
	90%-100%	16	$ (1,828,440)
	>100% (Winners)	136	$ 71,520,205
Total		**245**	**$ (14,223,703)**

We also discussed the need for additional funding for legacy rate-of-return mechanisms in order to alleviate the budget control "haircut" legacy rate-of-return companies are encountering.

Please do not hesitate to contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/

Michael J. Jacobs
Vice President, Regulatory Affairs

cc: Claude Aiken
Amy Bender
Travis Litman